The A. F. of L. Weekly News Service gives a brief summary of important matters affecting labor, especially in the industrial, executive and judicial fields, and such other information that will benefit the trade union movement.

AMERICAN FEDERATION OF LABOR

WEEKLY NEWS SERVICE

Entered as second-class matter September 26, 1912, at the Post Office at Washington, D. C., under the Act of August 24, 1912. Acceptance for mailing at special rate of postage provided for in Sec. 1103, Act of October 3, 1917, authorized July 11, 1918.

WHOLE NO. 1142 — WILLIAM GREEN, President — WASHINGTON, D. C., SATURDAY, FEBRUARY 25, 1933 — FRANK MORRISON, Secretary — VOL. 22, NO. 51

Curst greed of gold, what crimes thy tyrant power has caused!—Virgil.

Fat Rake-offs for the Big Boys

Charles E. Mitchell, chairman of the great National City Bank of New York, told a Senate Committee that he received "bonuses" of about $5,500,000 in 1927, 1928 and 1929. The bonus payments were in addition to his salary of $25,000 a year.

Mitchell was not the only "big man" to receive exorbitant salaries and bonuses during the years of so-called prosperity. Executives of railroads, steel corporations and many other lines of business received huge incomes.

The big incomes of business executives were one reason why thousands of their employees received low wages. It is now clear that the "big money" could go to the men at the top. The "boom years" were not years of prosperity for all. Millions of wage earners received small pay, in many cases near mere existence levels, which was a big factor in bringing on one of the worst depressions in the nation's history.

Lead Poisoning Is Found Big Danger To Women in Stove-Enameling Plants

Washington.—Enamel used on the modern gas range in many cases contains lead, which constitutes a deadly health hazard to women who apply the enamel with spraying guns, the Women's Bureau of the United States Department of Labor has found as a result of an investigation of 50 stove-enameling plants.

Three out of every ten women interviewed in the study said they had one or more symptom characteristic of lead poisoning and of those giving the number of symptoms, 27 per cent had at least five symptoms.

Lead poisoning may be contracted simply by breathing the leaded enamel and more than three-fourths of the nearly 700 women interviewed worked at spraying and brushing.

Two findings stand out as particularly serious. The greater susceptibility of young workers to the lead danger and its particularly detrimental effects on married women.

The Women's Bureau points out the urgent necessity for greater precautions to safeguard women workers in enameling plants and shows that comparatively few States in the country have adequate legislation for the protection of workers exposed to lead poisoning.

BONDHOLDERS' TOLL STRANGLES RAILWAYS

By PHIL. E. ZEIGLER
Editor, The Railway Clerk

In questions affecting the railroads, have employes and bondholders anything in common? Much has been said about the mutuality of interests between capital and labor. It is a lot or sweet nonsense. There is a vast gulf between the interests of the one and the other. If there was ever any doubt about that in the minds of workers, the experience of the last three years has dispelled it.

Fixed charges, representing the interest on the funded debt of the railroads, hang like a stone around the neck of labor.

For years conservative financiers and economists have insisted that the railroads are heavily overcapitalized; that literally billions of the securities on which interest charges must be paid represent no actual investment of capital.

In the last ten years there has been a tremendous increase in the claims of security owners upon the proceeds of the railroad industry. From 1922 to 1932 the investment in the property of the railroads increased by more than a billion dollars.

During the same period the capitalization of the railroads (stocks and bonds outstanding in the hands of the public) increased by almost $2,000,000,000.

The actual disbursements out of railroad earnings to security holders in the form of interest and dividends, rose from approximately $900,000,000 in 1920, to $1,200,000,000 in 1930, an increase of $300,000,000, or 32 per cent. And this occurred during a period when the gross income of the railroads declined by nearly $900,000,000.

Where did these vast sums that went into profits and the payment of interest and dividends come from?

The answer to this question is found in the story of what happened to payrolls.

From 1920 to 1930 the annual railroad payroll declined by 1,131,256,916, or 30.7 per cent, while the average number of employes declined by 534,479, or 26.4 per cent.

This does not, of course, take into account the last two years, which have cut both the wage bill and employment almost in half.

In other words, the billions that have gone to profits and the payment of interest and dividends have been pinched back into the industry to make the plant more efficient, to displace men by machines, to make greater profits. And these billions when capitalized become "bad charges" upon which the users of the public must forever pay tribute.

The story is blunt now like half idle. But "fixed charges" are still at work.

More than half a million railroad workers have been deprived of their means of livelihood. But bondholders must see their interest on the shrill will get you! When railroad labor complains that it is unjust to take wages out of the pockets of the men who pay a dole to idle capital, we are accused of talking nonsense.

CRUSH CAPITALISM'S INHERENT BRUTALITY

By FRANCIS ANDREW
Editor, The Pick, Official Organ of the British Union of Post Office Workers

In his argument before the National Wages Board against the proposed wage reduction for railway workers, John Bromley, Secretary of the Associated Society of Locomotive Engineers and Firemen, declared that the humanities have to be considered as well as the economics.

How eloquent is that phrase, "for once"! How far from an exaggeration it stands when one remembers the trend of the decades. Capitalism cannot afford to consider the humanities; capitalism is not built on the humanities. It battens on them.

It was declared that this claim of the railway companies to lower the bread and butter of the men was the last straw that would break not only a camel's back, but the vertebral column of an elephant.

Every claim is the last straw; every reduction in the workers' wages is the last straw.

Each cut is qualified as the one thing to bring men to desperation. And yet the infinite patience of the working class in this country can never be properly appreciated. Wage reductions have suffered, undertaken to do, fulfilled, in humiliating silence.

If capitalism were the only system, the inevitable system, the patience of men would have long since been removed it, since nothing short of a rebellion of the last of the proletarians would ever challenge the eternal order.

But capitalism has hardly the claim to be called a system. Capitalism is a nasty accident, or, as the early agnostics used to say, "the fortuitous concourse of circumstances."

Capitalism has never been planned, and never will be. The wolves of competition may join in larger packs in order to hunt the better, but wolves will always are, and hunting is their job.

The trade unionist arises out of the vital things when he brings down his fist on that claim for the humanities and the attention to be considered. In this instance he is talking of railwaymen, but his claim covers far more than that. His claim covers the underpaid postal worker, too; it covers also the unemployed and the underpaid everywhere. It is the vigorous protest of a man tired of the injustice inherent in a system founded upon profits.

There are some who will say that it is not a fit opportunity to mention like this; that it is much better to show by tables and figures that the wealth and fractions how the surplus wealth should be divided.

We will not argue. Our admiration is ready and sincere for those who are conducting daily negotiations and backing their case with careful research work.

But, after all, the question has been asked many times, and the question will go on being asked until there is an answer: "Shall capitalism, with its present misery, its lack of respect for everything that is human, continue to survive, or shall humanity curb it and ultimately crush it?"

GOVERNMENT REFUSES REAL JOBLESS RELIEF

By G. M. BUGNIAZET
Secretary, International Brotherhood of Electrical Workers of America

The American unemployed are being bluffed. American labor is being bluffed.

To date, in exactly 39 months of depression nothing has been done for the unemployed except provide a niggardly private dole, irregular in plan and amount.

A public works program has never actually been tried. It still lies upon the books. It has been discussed, but not administered, and it is not too much to say, it has been sabotaged.

The Reconstruction Finance Corporation has wrapped itself in remote digestity, and a cold aloofness from relief problems. It has been more conservative in granting loans to municipalities for relief purposes than private bankers. It has retarded loans. It has done nothing conducive, or encouraging.

The need for balancing the budget has been misrepresented, used as a fetish to protect shivering millionaires from higher tax rates.

More than a billion dollars of the so-called Federal deficit has been charged up by a people not to the bookkeeping which puts loans to the Reconstruction Finance Corporation in current expense accounts. Finally, into the new wage to raise new revenue other than through the sales tax, but one method is to take it from the caterwauling chorus coming from the bipartisan press. Not a word from the honorable gentlemen of the fourth estate against this least fair of all forms of taxation.

In brief, the serious economic crisis makes more clear than ever the character of the conspiracy against the "community" which goes on constantly under the guise of government for, and by, big business.

The American people are being bluffed. They are becoming aware of the cards against them, but as yet they are taking the stand-off, and liking it.

MAYORS ASK FOR R. F. C. RELIEF LOANS TO CITIES

Washington.—Meeting here, executives of 49 cities, including Mayors of 25 of the biggest in the Nation, asked Congress to immediately authorize the Reconstruction Finance Corporation to make relief loans to cities and to purchase municipal tax-anticipation warrants. The situation was described as urgent and Mayor Curley of Boston declared enactment of the proposed legislation is essential to the continued operation and even the very existence of the municipalities of America.

The conference reaffirmed its previous support of a Federal appropriation of at least $5,000,000 for a public works program.

The conference effected permanent organization as "The Mayors Conference of the United States." It met at the call of Mayor Frank Murphy of Detroit to discuss means of financial relief for cities.

FRENCH STATE WORKERS STRIKE AGAINST PAY CUT

Paris.—French Government employes on Feb. 20 stopped work for periods varying from ten minutes to an hour in protest against proposed pay cuts. The stoppage of work was almost universal in the Government departments. Although not affected by proposed cuts, street, car, bus and railway employes stopped for ten minutes. School teachers gave the extra half hour for luncheon while they remained idle.

The stoppage of work in the provinces was almost as complete as in Paris. Police were massed at various points, but there was no disorder.

Previous to the Government employes' strike, merchants throughout France decided to stage a protest against higher taxes and what they consider is a disinclination by Parliament to economize.

BILL FOR $315,000,000 RELIEF PASSES SENATE

Washington.—By a vote of 54 to 16, the Senate on Feb. 20 passed the relief bill, which doubles the $300,000,000 relief loan fund of the Reconstruction Finance Corporation and also broadens the provision for the loaning of money by the corporation for public works. The Wagner bill was passed in preference to the Costigan-La Follette bill by a vote of $500,000,000 outright to the States for relief work.

The Wagner bill provides an additional $300,000,000 to the R. F. C. for loans to the States for direct relief and public relief of unemployment. It provides that loans may be made to the States, municipalities and other political subdivisions for public works that are "needful and in the public interest" without the requirement, as heretofore, that such works be self-liquidating. The bill also authorizes and directs the R. F. C. for loans to States for the relief and rehabilitation of transient workers.

LABOR TO CONTINUE FIGHT ON RUSSIAN RECOGNITION

A. F. of L. Will Oppose Any Efforts to Bring Reversal of Historic Policy Laid Down Under President Wilson, Matthew Woll Says.

New York.—Organized labor will fight any efforts to induce the Roosevelt Administration to recognize Soviet Russia, Matthew Woll, vice president of the American Federation of Labor, said here last night. Declaring that the policy laid down under the Wilson Administration has been reaffirmed by the Hoover Mission people and non-cooperation with their oppressors—must be maintained. Mr. Woll added:

"This doctrine of democratic origin is now being challenged in the hope that the incoming administration may be influenced for illusory economic advantages to abandon the historic democratic policy. The American Federation of Labor will not be influenced to change its policy of recognition. We shall continue to fight in the alliance of irreconcilable radical and self-seeking capitalists on this issue."

Mr. Woll also made public a letter to Bainbridge Colby, Secretary of State in the Wilson Administration and author of the policy of "watchful waiting" since followed by the United States. He said that the policy laid down by Colby has been the foundation for the unprecedented hostility of Russia to the American Government and people which has grown up since it is founded, and asked the former Secretary of State if, in the light of subsequent developments he has justified a change in the policy.

BETTER PROVISION FOR OLDER WORKERS URGED

Albany, N. Y.—A special committee of the New York State Commission on Old Age Security, which has been studying the problem of "the older person-in industry" for two years, reported that the State and private industry must develop more effective provision for the economic security of wage earners after 40. Men and women of over 40 present a "real economic problem," the report said.

The committee recommended that salaried employes and the skilled worker be the care of superannuated and invalided older persons and that the present system of pensions for the aged be not extended. It recommended that work opportunities be found for employable persons be developed and that facilities be extended for their vocational training. It also recommended that job studies to reveal positions suitable for the older worker be made in all industries of the State.

LABOR FIGHTS PAY CUT FOR STATE EMPLOYES

Boston.—Headed by Robert J. Watt, legislative agent of the Massachusetts State Federation of Labor, a delegation of 200 representatives of organized labor strong opposition to pay cuts for State employes at a hearing before a committee of the State Legislature. Watt declared he could not believe the committee would follow the advice of men who are responsible for the existing depression and the "deflation" policy of which it was forced to reduce salaries, would begin with girls getting $600 to $700 a year when there are judges drawing $15,000 yearly.

Irish Railroad Strike Continues

Belfast.—A conference of railway officials and union leaders failed to settle the strike of railroad workers in Northern Ireland. The deadlock remains unbroken and the workers are continuing their fight against wage reductions.

WORKERS' EFFICIENCY GAINS IN DEPRESSION

National Bureau of Economic Research Reports Output Per Man-Hour Increased 12 Per Cent Since 1929.

New York.—Efficiency of workers has increased during the depression, apparently having gained 30 per cent in 1932 over 1929 and 12 per cent over 1929 in manufacturing plants, Dr. Frederick C. Mills of Columbia University reports in a study of changes between 1929 and 1932, made for the National Bureau of Economic Research.

The increase in efficiency is reflected in figures showing the output per man hour increased 12 per cent, while the actual productivity of labor this story is far from accurate," Dr. Mills says. "Probably a greater degree than in any earlier recession, part-time employment has been resorted to as a means of equalizing burdens and sharing work among wage-earners.

Output Holds Up "Remarkably"

From an average slightly greater than 48 hours per week in 1929 the actual number fell 23 per cent, that output per worker carried on payrolls declined only 14 per cent in the face of the shortening of the average working week is remarkable."

Dr. Mills explains that a more accurate picture of variations in productivity is secured by taking consideration of the changes in the length of the working week, as continuous.

"Multiplying the index of factory employment by an index of weekly hours worked per wage-earner we secure a series indicating total man-hours expended in manufacturing production. From this, and the index of total physical output, a measure of output per man-hours may be derived.

Steady Productivity Gain

"This index shows a continuous advance in productivity since 1927, except for a decrease between 1928 and 1929. The most striking changes have occurred in the last two years. In 1932 output per man-hour in manufacturing plants appears to have been 30 per cent greater than in 1927 and 15 per cent greater than in 1929.

"With the laying off of less efficient men, the retirement of less efficient equipment, the closing of less efficient plants, and the concentration of efficient men—working short hours—on the best equipment (including, of course, improved equipment installed since 1929), the potentialities of the public interest."

EMPLOYMENT AND PAYROLLS CONTINUED FALL IN JANUARY

Jobs Decreased Nearly 4 Per Cent From December in 17 Major Industrial Groups, While Pay Totals Fell Even More, Federal Report Says.

Washington.—Employment and payrolls continued their downward course in January, the Bureau of Labor Statistics, United States Department of Labor, reports.

In 17 major industrial groups, employment decreased 3.9 per cent and pay rolls fell 9.6 per cent from December to January, the bureau says. The report was based on returns from 69,392 establishments having a total pay roll of 975,569 employes.

Two of the 17 industrial groups reported increases in employment coupled with declines in payrolls, indicating wages fell faster than employment. A group had a decrease of 0.4 per cent in employment with an increase of 0.2 per cent in pay rolls. Decreases in both employment and pay rolls were reported in the remaining 14 groups.

Employment in manufacturing industries decreased 2.9 per cent and pay rolls dropped 5.0 per cent.

HELP IS ASKED IN CAMPAIGN TO WIN AAA UNION PRINTING

Washington.—The Allied Printing Trades Council of Washington, D. C. and Vicinity has begun a campaign to induce the American Automobile Association to have its printing done in union shops and carry the union label. The work was formerly done in Washington union shops, but in recent years most of it has been gradually taken away from the union shops in the Capital and sent to non-union shops in other cities.

The committee recommended that salaried employes and the skilled worker be the care of superannuated and invalided older persons and that the present system of pensions for the aged be not extended. It recommended that work opportunities be found for employable persons be developed and that facilities be extended for their vocational training. It also recommended that job studies to reveal positions suitable for the older worker be made in all industries of the State.

Illinois Labor Makes Fight For Unemployment Insurance

Springfield, Ill.—Illinois labor is making a determined fight for unemployment insurance legislation and will be represented at hearings on two bills before a committee of the State Legislature here. The bills were prepared by officials of the State Federation of Labor.

One of the bills provides for the creation within the State Department of Labor of an unemployment insurance commission to be composed of three members, one of whom is a representative of labor. The other bill is designed to provide an unemployment insurance fund and provide for its administration.

MRS. ROOSEVELT STRESSES NEED TO CUT WORK HOURS

Washington.—Limiting the hours of labor by law spreads employment, thereby giving more work and protects the health of the workers, Mrs. Franklin D. Roosevelt writes in the March Scribner's magazine, in an introduction to an article by Josephine Goldmark.

In addition to emphasizing the need for shortening the hours of labor, Mrs. Roosevelt scores wage cutting, saying, "Cut after cut has been accepted by workers in their wages. They have endured their work by accepting more days a week also, until many of them have fallen below what I consider the minimal and proper standard for healthful living.

"If the future of our country is to be safe," she adds, "and the next generation is to grow up healthy and good citizens, it is absolutely necessary to protect the health of our workers now and at all times."

RAILROAD WORKERS VOTE STRIKE AGAINST PAY CUT

St. Louis, Mo.—Rather than continue to accept a pay cut of 20 per cent, employes of the Mobile & Ohio railroad have voted in favor of a strike. A total of the organized workers has been in favor of the strike. Strike action required a two-thirds affirmative vote.

Following a conference here between delegates of the 22 crafts of the railroad brotherhoods and E. N. Norris, receiver of the road, Norris invoked the law governing railroad wage disputes and submitted the case to the Federal Board of Mediation.

The question at issue is an extra 10 per cent reduction to take effect for workers last summer, in addition to the 10 per cent cut made by all railroad employes early in 1932.

REPEAL RESOLUTION NOW BEFORE STATES

Amendment Passed in Congress by Big Votes and Sent to States, Three - fourths of Which Must Ratify It Within Seven Years to Make It Operative.

Washington.—Repeal of the 18th Amendment, which was advocated by the 1932 convention of the American Federation of Labor, is now before the States, which are engaged in a race to see which is first to ratify. Resolution for repeal was passed by a vote of 63 to 23 in the Senate and a vote of 289 to 121 in the House.

The repeal resolution provides that the proposed amendment shall become part of the Constitution when ratified by conventions in three-fourths of the States. It also provides that the amendment shall be inoperative unless ratified by the necessary number of States within seven years.

Approval of the repeal amendment in Congress was followed by the announcement of Democratic leaders that action would be rushed to pass measures for beer. The Democratic platform pledge for years urged that beer be made legal by modification of the Volstead Act to prove the fact of intoxication by beer.

Immediately after approval of the repeal amendment in Congress Governor of State Simpson sent the resolution to the States. Action to ratify the amendment as soon as possible was begun in many States by the introduction of bills in the Legislatures calling for the meeting of ratifying conventions in May. Jones and Wyoming got a jump on the other States by providing for a ratifying convention, taking action before the House had voted.

The text of the repeal amendment follows:

"Section 1. The eighteenth article of amendment to the Constitution of the United States is hereby repealed.

"Section 2. The transportation or importation into any State, territory or possession of the United States for delivery or use therein of intoxicating liquors, in violation of the laws thereof, is hereby prohibited.

"Section 3. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by convention in the several States, as provided in the Constitution, within seven years from the date of the submission hereof to the States by the Congress."

UNEMPLOYMENT TO RISE, HOUSE OF COMMONS TOLD

Speaker for British Government Declares Solution of Problem Caused by Displacement of Labor Will Need Best Brains of Many Countries.

London.—A dark picture of the unemployment situation in Great Britain was painted by Neville Chamberlain in the House of Commons, in opening the debate for the Government on a motion of censure offered by the Labor members.

Chamberlain said that unemployment was bound to increase before the "transition period" is over, and expressed the opinion that it could not be brought to a successful end in another ten years.

"There is not the slightest doubt," he said, "that the displacement of labor which is going on in every industry throughout the world and which cannot be stopped is one of the greatest problems that the civilized world in the immediate future. There has been a dislocation of the old equilibrium and before a new adjustment has to be arrived at. This problem can not be solved by any one nation; it is only the best brains of many countries before a final solution can be found, while there must be a transition period in which things will be very difficult, unemployment will be largely increased."

Pressmen Appeal Decision

Chicago.—Chicago Web Pressmen's Union No. 7 has appealed to the International Arbitration Board against a decision of Federal Judge John P. Barnes in arbitration proceedings between the union and Chicago newspaper publishers. The appeal is against Judge Barnes' refusal of the union's request for an increased number of men on the press crews of the newspapers. The publishers also plan to appeal, asking reconsideration of their counter demanding a wage cut, which was overruled by the judge.

WILLIAM E. M'EWEN DIES AT 58 OF HEART ATTACK

St. Paul, Minn.—William E. McEwen, editor of the Labor Herald, of the Duluth Labor Herald, died here of a heart attack on Feb. 15, at the age of 58. He was in St. Paul in connection with affairs of the State Conservation Commission, of which he was chairman.

Mr. McEwen, who was known to his host of friends as "Billy" McEwen, was long one of the outstanding labor men of Minnesota. He was for 14 years secretary of the State Federation of Labor and was State Labor Commissioner under Governor John A. Johnson. He had been a member of the Plumbers' Union for 40 years. Recently he moved here from Duluth, where he was born.

Illinois Miners Ask Removal Of Injunction Against Lewis

Springfield, Ill.—The Illinois Mine Workers Union, District No. 12 of the United Mine Workers of America, has instructed its attorneys to take steps for removal of the injunction restraining John L. Lewis from interfering with the affairs of the Illinois union. Removal of the injunction would permit President Lewis to direct the fight against the Progressive Mine Union, which is seeking to disrupt the United Mine Workers.

At the present time, Illinois is the only one vote against the decision to seek removal of the injunction.

Public Works 5-Day Week Law Extended in New York

Albany, N. Y.—The New York State Legislature passed by unanimous vote a bill, which was signed by Gov. Lehman, extending until March 1, 1935, the law enacted in 1923 providing for a maximum five-day working week on all public work performed by contractors for the State or any of its subdivisions.

John L. Lewis Urges Emergency Board To Save Democracy in Present Crisis

Miners' Head Warns Senate Committee Foundations of Republic Are Imperiled and Calls for Recognition of Labor's Rights in Industry and Government and Emergency Action to Shorten Hours and Organize Nation's Activities.

Washington.—Creation of an emergency board to control industrial and financial activities in the present grave crisis and recognition of the rights of labor in industry and government were strongly advocated by John L. Lewis, president of the United Mine Workers of America, in testifying before the Senate Finance Committee.

President Lewis warned that the Republic and its institutions are imperiled by the "progressive accumulation of ills which result from our inability to properly organize our economic processes." If democracy is to survive, our economic problems must be solved, he declared. His statement in full follows:

"The political stability of the Republic is imperiled. In excess of 12,000,000 workers are unemployed. In certain industrial States the percentage of unemployed equals 40 per cent of the enrolled workers. Of the remaining 60 per cent a large number are employed on a part time basis, and are the victims of a continuous schedule of wage cutting.

Burden on Employed Grows

"Those who are employed, directly or indirectly, must inevitably bear the burden of supporting the millions to whom employment is unavailable. The financial solvency of governments, and industrial autocracy, depends upon the support of non-productive institutions. In every day that this burden is passed to the continuously decreasing number of citizens who are privileged to work.

"Our Republic and our institutions can not be expected to exist under the progressive accumulation of ills which result from our inability to properly organize our economic processes. Manifestations of widespread unrest and discontent are already akin to despair, and daily becoming more violent. Over wide areas insurance companies and other investors find the population in rebellion against the usual processes of recovery from financial disaster. Their resistance to evictions for rent default is daily more serious. Disorder and pillaging, because of the inadequacy of public relief, is increasingly prevalent. Conserving family fabrics, with their consequent train of human tragedies, add to the sum total of misery that a malevolent sick with waiting and deferred hope for intelligent economic and financial leadership.

Problem Is Economic

"A student of history will find, in the present, deplorably similar and appalling conditions in the misery of the French people antedating the French Revolution. The French people, like some of the modern Bourbons in America, indulged themselves in idle chatter and continued to believe in their own security, nourishing and fattening the evil degradation of the masses. They paid for their error and their inaction with their blood.

"The appalling social and political problems arising out of the present emergency are of a fundamentally economic concept. The restoration of order and the security of the American household is primarily essential to any solution of the social, political and economic problems of the Nation. We are victims of our own national shortsightedness. We had the halcyon days of prosperity to intelligently plan for the future. A horde of mediocre leaders in industry and finance, like the freebooters of old, virtually looted, under the guise of prosperity, the people of the Republic.

"Now that the day of adversity has come, these same leaders are destitute of constructive suggestion to safeguard the present or the future, and they expect the prosperity of this country to remain quiescent while they utter profound platitudes about balancing the budget, and the necessity for further wage reductions. **The very application of their wage-cutting fallacy further reduces the national income to a point where the population cannot sustain itself and the national budget cannot remain balanced.** The balancing of the budget will not of itself place a teaspoonful of milk in a hungry baby's stomach, or restore to the eyes of a mother hope back. It must be obvious to any thoughtful person that the national budget can never be permanently stabilized in the face of ever-growing unemployment, shrinkage in business volume, mounting inability to pay taxes, and consequent depreciation of national income.

"If democracy and corporate participation in industry are to survive in America, labor must have an opportunity to exercise its industrial rights for the protection of itself and our democratic and economic institutions. An emergency now exists which is more critical than would be the case if a fleet of a foreign power were at this moment bombarding the defense of one of our major ports. The very foundations of democracy and integrity of American institutions are threatened. Labor should be granted the right of collective bargaining, with representatives of its own choosing, in those major industries of the country where this right is now withheld.

Workers Treated as Serfs

"In large areas of the coal, textile, lumber and steel industries, workers are denied the right of collective bargaining and are treated more or less as serfs, compelled to accept any wage, no matter how inadequate, declared by a harassed employer to be based on the verge of financial bankruptcy. Democracy in these industries is supplanted by an industrial autocracy.

"Legalized collective bargaining will permit the workers in these industries to exercise their birthright of participation in the fixation of the prices of their services and conditions of employment.

"Labor should be given greater recognition in the affairs of government, and its spokesmen should be given representation upon boards and committees exercising governmental functions. During the period of the World War labor was given such recognition, and inasmuch as the Nation is now confronted with an economic crisis more serious than was the case during the years 1917 and 1918, labor should again be given a seat at the council table.

Labor Can Be of Great Service

"If given the right to organize in our major industries, labor will stabilize those industries against Communism, or any other false and destructive philosophy, which constitutes a menace to the Government itself. American labor has in the past demonstrated its patriotism and its desire to stand behind and protect the accredited institutions of our land.

"If labor is accorded the governmental rights it can render great service in the present crisis.

Emergency Action Urged

"In consideration of the obvious circumstances, Congress should pass a joint resolution declaring that a state of national emergency, to effectuate intelligent action, exists in the industrial and financial activities of the Nation.

"A Board of Emergency control should be created. It should be composed of representatives of industry, labor, agriculture, and finance. It should be given plenary emergency power, under the direction of the President.

"The Board should be instructed to reduce the hours of labor, and the number of days per week, to the end that a point where the industrial machinery will absorb the unemployed. Take up the slack of unemployment, and under conditions where labor is accorded the right of collective bargaining through representatives of its own choosing.

For Economic Planning

"This Board should be instructed to stabilize the prices of agricultural products and other commodities to a point that will provide reasonable return to the producers thereof.

"The Board should be given such other instructions as to fundamental economic planning and other matters, in accordance with the judgment of the Congress.

"The foregoing recommendation may be criticized by some as being a form of dictatorship repugnant to the American concept of government. Nevertheless it is the form of procedure resorted to by our nation during the crisis of the World War, when the enemy was 3,000 miles from our shores. Today the enemy is within the boundaries of the Nation, and is stalking through every community and every home, and, obviously, this proposal is the most democratic method by which the national crisis can be devised to deal with our economic and industrial collapse."

RAIL PROBLEM IS NOT SOLVED BY WAGE CUTS

By CARL RUDOLPH
Editor, Locomotive Engineers Journal

The railroads, as we have often pointed out, have nothing to sell but transportation. When people buy the finished product, then that product, and also the raw materials that go into making it, must be transported. Business in general must pick up before the railroad business can possibly pick up. Killing the purchasing power of the railroad employes through wage slashes is one sure way to delay a revival of business.

The loans from the Reconstruction Finance Corporation have mainly gone to pay interest to those who gamble in railroad securities. The next loans are intend to pay these loans to the Government. Instead, they add to the railroad debt as before. It may be that the roads intend to borrow all that the traffic will stand, and then let the government wake up some morning in possession of a railroad system. The point is that they are as much in debt to Peter as they were to Paul, and the "decontrol" is still with us.

All of the wage-slashing that has been done will not help the roads to ride rougher the waters of the general crisis into which the railroads have sailed. They were in debt more than $20,000,000,000 from the pay envelopes of their employes in the past years, and now they have succeeded in borrowing another $120,000,000 to maintain the very apparently planning, according to statements made in Chicago, to move the wage slash at the basic rate of 10 per cent.

The companies succeeded in getting an increase in rates on certain commodities; they slashed wages hundreds of millions of dollars; they borrowed hundreds of millions from the Government; they cut hundreds of thousands of employes from their payrolls, while the employes' productive efficiency has increased tremendously through the use of more powerful locomotives, larger cars and other labor-displacing machinery.